



Mastering Technical Sales

2037 Trowbridge Drive
Newtown, PA 18940
Phone +1-215-431-1552

John@masteringtechnicalsales.com

www.masteringtechnicalsales.com

John Care, Managing Director

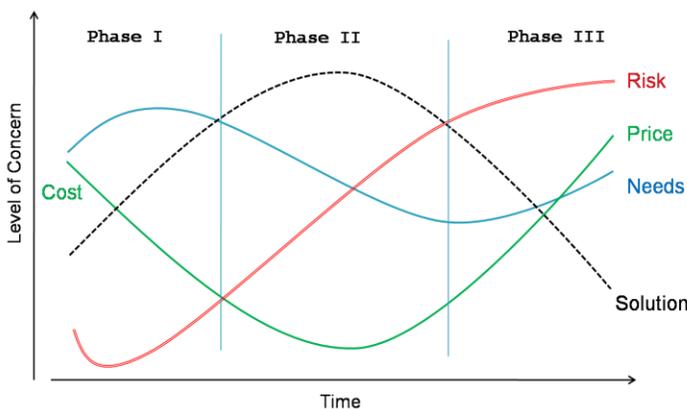
Risk And The Sales Engineer

The Chance of Injury, Damage or Loss

What is the true role of the SE during a sales cycle? Is it really just to provide technical validation, to perform demos and to secure the technical win? No! The real purpose of the SE should be to reduce perceived risk from the customer's viewpoint and accelerate the deal by removing doubt from the customer's decision making process.

Looking at Bosworth's model¹ of the selling/buying cycle, the customer's perceived risk steadily increases throughout the cycle. In Phase I, typically involving project kickoff, an

Buying Phase Diagram



RFI, some research and initial discovery calls there is minimal risk. Within Phase II, which may include custom demos, ROI workshops, trials and Proofs of Concepts the potential risk steadily rises as the time to make a recommendation draws near. During Phase III which covers negotiations, final proposals and "technical whack-a-mole" risk is at its highest - as the implications of a poor decision can be expensive - not just financially, but also personally and politically.

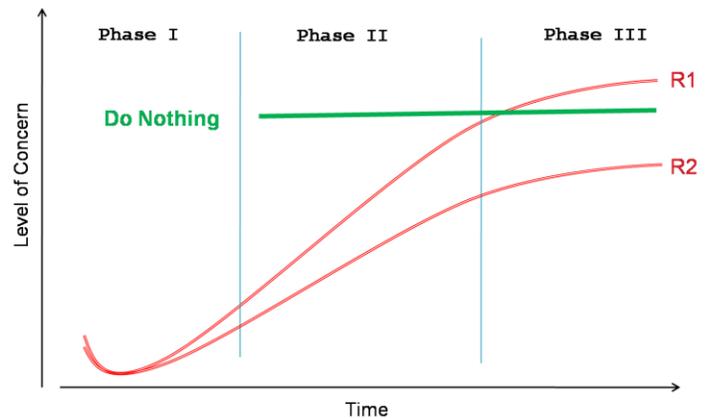
So for comparative purposes, let's categorize risk into three major components.

1. **Competitive Risk.** The results and rewards of your solution are viewed as riskier than at least one of your competitor's solutions.
2. **Alternate Risk.** Your solution may be the best of any proposed, yet the customer decides their resources (time, money, people) are better deployed on another project.

3. **Do Nothing Risk.** The customer decides that it is safer to wait and do nothing rather than take a chance on your proposal.

The fundamental role of the SE is to mitigate the customer's perceived risk of proceeding with your solution during the buying cycle. Visually this means reducing the slope of the red risk line. You can never bring risk down to zero, but as long as the risk of your solution is both less than that of the competition and of doing nothing/other projects your win-rate increases dramatically. A master SE can reduce risk from R1 to R2, which means that it is now safer than the green do-nothing approach.

Buying Phase Diagram



So here are some of the characteristics of the master SE when reducing risk.

1. **Be Vicious.** I'm a big believer in the concept of diagnosing and solving a business pain. Part of your job is to amplify the current pain a customer is feeling. The more you increase the risk of doing nothing, the better your chances. This involves questions such as *"who else does this impact?"* or *"what happens if that outage had occurred during trading hours?"* A personal experience of this occurred when I took my car in to be serviced a few years ago. The mechanic told me that my tires were becoming worn. I asked if they should be replaced. He replied *"Well, legally they're OK.. (pause) .. do your children ride in this car much?"* I replaced the tires!
2. **Be Budget-Conscious.** Take the opportunity to point out the increasing revenue or decreasing expenses implications of your solution as they occur. Statements like *"See, that's how we can reduce your power usage by 20%"* , *"that's how you can avoid paying overtime to your outside contractors"*. Since Discovery is a constant process, not a one-time event, you can also constantly recheck that you are not pitching a 500,000 solution to a 50,000 problem.
3. **Be Curious.** You need to understand the risks from the customer's perspective. There is nothing wrong in asking *"what are the risks you see in.."* or *"is there any*

downside in starting this project now?". Given enough time and access most SE's can perform good Discovery and help move the customer from current state to desired state. The master SE also understands the pitfalls along the journey.

4. **Be Communicative.** A surprising number of deals are lost or delayed because of poor account planning. Sales and Pre-Sales aren't clear on strategy and haven't shared information. Bringing in Services, Engineering or even an external partner compounds the problem. Too many cooks not only spoil the broth but raise the risk of deal poisoning. As a former IT executive, I can tell you that if your company seems disorganized during the sales, I wondered what would happen during implementation and ongoing support. A high risk prospect.
5. **Be Confident.** As a customer, knowing that others have been successful with you is a key piece of risk mitigation. "You" means you personally, your particular solution and your company. A 1.0 version from a large company can be just as risky as a 3.0 version from a smaller company. Fill your conversations with reference stories and personal anecdotes - not corporate PowerPoint slides.
6. **Be Personal.** Understand the personal wins and the WIIFM - What's In It For Me - for the technical team. For example, when selling the Sybase database to Wall Street companies in the 90's and competing against Oracle, we'd use the Sunday jobs section of the New York Times as a sales aid. It showed the heavy demand for Sybase DBAs and a \$40,000 difference in compensation. Competitive, Alternate Use and Do Nothing risk were all minimized with one simple strategy. As a rule, higher level executives and individual contributors are more likely to be positive and aggressive than middle managers who get the blame if things go wrong
7. **Be Decisive.** As a customer I always liked options. I also appreciated the vendor who would then say *"we can do this three different ways, based upon what I know about your situation I'd recommend this way, and here's why."* No matter how much it hurts, recommend the solution which is best for your customer, not for you. Too many options later in the sales cycle promote confusion and indecision.
8. **Be Knowledgeable.** Understand your customer. Don't fall victim to the Dash to Demo and Push for Proposal no matter how much the customer, or the salesrep, pushes you. The general theme of most of the techniques of a master SE is that knowledge means power. An Oracle sponsored survey a few years ago showed that

90% of 6,500 companies purchased software from the vendor who best understood their best, and not from the vendor who had the best technology.

Summary

Remember to ask yourself "does this action make it easier for the customer to buy from us?" There are many things outside the control of even the master SE - such as legal contracts, support options and even implementation costs. Yet for those items you can control focus on reducing risk. You're not just fighting your direct competition; you're also fighting the do-nothing option and the alternate use of capital option. So reduce the risk and raise your career capital as a master SE.

"It doesn't work to leap a 20 foot chasm in two ten foot jumps."

Proverb.

Talking Points is a monthly column authored by John Care, Managing Director of Mastering Technical Sales. For more information on this and other Sales Engineering topics visit the website at www.masteringtechnicalsales.com.

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ⁱ Michael Bosworth – Solution Selling